

SENATE BILL 155
By Cooper

AN ACT to amend Tennessee Code Annotated, Title 35, Chapter 5,
relative to foreclosures by homeowners' associations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 35, Chapter 5, is amended by adding as
the following language as a new appropriately designated section:

Section _____

(a) All sales to foreclose arising under liens created pursuant to the recorded
covenants of a homeowners' association shall be by judicial sale only.

(b) As used in this act, "homeowners' association" means a Tennessee
corporation responsible for the operation of a community or a mobile home subdivision
in which the voting membership is made up of parcel owners or their agents, or a
combination thereof, and in which membership is a mandatory condition of parcel
ownership, and which is authorized to impose assessments that, if unpaid, may become
a lien on the parcel. The term "homeowners' association" does not include a community
development district or other similar special taxing district created pursuant to statute.

SECTION 2. If any provision of this act or the application thereof to any person or
circumstance is held invalid, such invalidity shall not affect other provisions or applications of the
act which can be given effect without the invalid provision or application, and to that end the
provisions of this act are declared to be severable.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.